106th CONGRESS
1st Session

Printed for the use of the
Commission on Security and Cooperation in Europe

Bosnia, Croatia, Macedonia and Serbia: Electoral and Political Outlook for 1999

January 8, 1999

**Briefing of the
Commission on Security and Cooperation in Europe**

WASHINGTON : 1999

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The OSCE is engaged in standard setting in fields including military security, economic and environmental cooperation, and human rights and humanitarian concerns. In addition, it undertakes a variety of preventive diplomacy initiatives designed to prevent, manage and resolve conflict within and among the participating States.

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The Commission consists of nine members from the U.S. House of Representatives, nine members from the U.S. Senate, and one member each from the Departments of State, Defense and Commerce. The positions of Chair and Co-Chair are shared by the House and Senate and rotate every two years, when a new Congress convenes. A professional staff assists the Commissioners in their work.

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BOSNIA, CROATIA, MACEDONIA AND SERBIA: ELECTORAL AND POLITICAL OUTLOOK FOR 1999

JANUARY 8, 1999

PARTICIPANTS

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COMMISSION ON SECURITY AND COOPERATION IN EUROPE
WASHINGTON, DC

The briefing convened at 10:00 a.m. in Room 2200 of the Rayburn House Office Building, Washington, DC. Robert A. Hand, Staff Advisor for the Commission on Security and Cooperation in Europe, moderated.

Mr. HAND. Good morning. Welcome to you all to this first public briefing of the Helsinki Commission for 1999 and thank you all for coming out, especially given the snow—we know what happens in Washington when there is even a little bit of snow.

Our briefing this morning is on the electoral and political outlook for 1999 in several very important countries in South Central Europe: specifically, Bosnia, Croatia, Serbian-Montenegro, and Macedonia.

There are many people here in Washington who follow these countries—either here on the Hill, or among the NGO community, the think tanks, et cetera. It is good to have with us today some people who have spent a lot of time out in the field—in some cases several years out in these countries—working with opposition parties, monitoring elections, developing domestic election monitors, and the like.

All of our panelists come from the National Democratic Institute and the International Republican Institute, which lead the way in these countries doing this type of work. We are very fortunate to have them all here at this time to focus on these countries.

I think in 1999—here on the Hill and in Washington generally—there will be a lot of focus on the countries we are looking at this morning.

There is, of course, the ongoing crisis in Kosovo, which could erupt into a full-scale conflict this year; that's something on which there will be a lot of attention.

And, of course, Bosnia, which draws a lot of attention because of the presence of U.S. troops there; and the heavy investment in trying to bring that country back together after being torn by conflict.

Croatia is a country in which, I think, people have some hopes for positive developments this year. There is reason for them to be cautious about it but still optimistic that things can move forward there.

In Macedonia, we have a rare instance of a country where a relatively smooth transition

occurred as a result of elections which just took place in October.

And finally, there is Serbia, where there seems to be much less reason to be optimistic, given recent developments: the clamp-down on the universities and on the independent media; actions taken against students—including one who came here and testified before the Helsinki Commission in December, Boris Karajcic—and the lack of any sign that there is any positive movement politically.

I don't want to put words in the mouths of the panelists; maybe they will have some positive things to say. I will keep my ears open.

We will start on my left and work our way down. We will first focus on Bosnia and NDI's Francesca Binda, who has been there for a number of years, working on a variety of projects.

From there, we will focus on Croatia, for which we have Karen Gainer from NDI, who has spent a considerable amount of time out there; as well as Eric Jowett, who is based here in Washington but has spent a substantial amount of time out in Croatia doing polling for IRI in 1998.

We will then go to Kent Patton, who has actually spent a lot of time in Macedonia but has just been transferred up to Belgrade, who spent, I guess, about a week or two up there and is going to be going back out there to do IRI's programs.

And then, finally, Paul Rowland from NDI, who has spent quite a bit of time out in Serbia and also some work in Montenegro.

So I will turn the floor over now to Francesca. Everybody will make comments for five to ten minutes, and then we will open the floor for questions.

Francesca?

Ms. BINDA: Thank you, Bob.

I would like to thank you for providing some Sarajevo weather for me, too.

This year in Bosnia we are looking at yet another election. There has been an election in Bosnia every year since the Dayton Peace Accord was signed.

There has been some debate whether an election every year is good for the opposition parties; whether it is good for people in general; whether there is voter fatigue; whether there is donor fatigue, because these elections cost the international community a considerable amount of money; and when will the opposition parties have the ability to do some long-term, party-building planning?

Since the parties themselves are split on this issue, it looks like we will have municipal elections this year in November.

What I have seen in Bosnia over the last two and a half years that I have been living there is that every election is providing opposition parties with some momentum.

Each election, the opposition parties get a few more votes, a couple more percentage points, a couple of more seats, and the strength of the nationalist parties diminishes.

The nationalist parties will be in Bosnia and Herzegovina for many years. People are not going to stop voting along ethnic lines overnight. And what will help them decide their votes—based more on party policies as opposed to ethnic fear—I think depends a lot on how the economy does; on whether they can face bread and butter issues when the parties start talking about bread and butter issues.

The economy, I hope, will be a big part of the focus, both on the part of the Bosnian community and the international community this year, because unless people have jobs and food on the table, it's very doubtful they will think about voting along those bread and butter

issues.

The media is opening up, slowly but surely. This is definitely helping the opposition parties in getting their messages out and communicating to voters.

In certain pockets of Bosnia and Herzegovina, the media has not opened up significantly; and this is mostly in the Croat- dominated regions of the country where HRT, the Croatian State Television, has a wide audience and comes into these parts of Bosnia and Herzegovina.

I know that there is talk among the international community, especially the Office of the High Representative, to try and address this issue.

The municipal elections this year will be a chance for the opposition parties to focus on those bread and butter issues and to start working towards the national elections in the year 2000.

As you know, the mandate for the elections of 1998 was reduced to two years, as opposed to the original four years; so we will have elections again next year.

The opposition parties are beginning to understand, I think, that there are too many of them. This last week the Social Democratic Party and the Social Democrats of Bosnia and Herzegovina signed an agreement saying that they will merge. They are two significant opposition parties which have just split the opposition vote in the past.

Some of the smaller parties are beginning to understand that they just do not have the resources to continue campaigning in each election. I think we have seen all over Eastern Europe when the Iron Curtain fell a plethora of political parties and people trying to express their own policy and opinions through political parties, and each election makes this number of parties smaller.

I think the challenge for the international community in assisting people in Bosnia and Herzegovina this year will be to help the opposition forces and democratic forces maintain momentum.

Crises in Kosovo tend to avert people's attention; especially when it is so close, resources are simply moved to Kosovo. We can see it physically with organizations taking vehicles away, taking personnel away; and even though the crisis in Kosovo is not—is not felt too much in Bosnia and Herzegovina, there has been an influx of refugees from Kosovo into Sarajevo and areas around Sarajevo.

So other crises around the region can affect the international community's commitment to maintaining momentum and maintaining the positive trends.

One of the big political issues this year will probably be the Permanent Election Law. There is a draft which we hope will be presented to the public soon, and the debate will begin among Bosnian citizens and among the Bosnian political parties on a Permanent Election Law. I don't believe it is expected to be ready for the municipal elections, but it will certainly influence the elections in the year 2000.

That's pretty much all I have to say in terms of my general views, and we'll go to questions later, I guess.

Mr. HAND: Karen?

Ms. GAINER: Thank you. Thank you very much for the opportunity to talk a little bit about Croatia.

I think Croatia, as Bob Hand said, is going into a very interesting time, where there is a lot of reason to be optimistic. And I want to just start by just giving you a little bit of an

update as to some of the activities the opposition parties have been up to in the last six months, which I think has really changed the dynamic within the country.

In August of this year, the six main opposition parties came together in a formal way to work together. They are very careful not to use the word 'coalition.' They talk about the need as to have an agreement.

And we saw the Social Democratic Party, led by Mr. Racan, together with the Croatian Peasants Party, the Croatian Social Liberty Party, the Liberal Party, the Croatian People's Party, and the Istrian Democratic Assembly formally agreeing to start to work together.

This was first shown in the Fall when there was discussion about the election law and the ongoing debate of the need to reform the election law.

In Parliament, each opposition party had been submitting drafts of election laws, and they decided that they needed to be much more coherent. They used the election law as an opportunity to test how their agreement would work, and they set up working groups and worked very successfully to come up with one election law that really represented where the opposition wanted to take it.

Needless to say, that law has not been passed and, in fact, the Sabor has been very slow to act on it; but at the same time, it was a good exercise for them to learn the importance of working together.

With respect to elections, they had a small test of a disagreement in Dubrovnik. In Dubrovnik county, there was a by-election called, mostly as a result of the troubles related to Dubrovacka Banka on October the 11th.

The opposition parties agreed that in the single mandate seats, of which there were ten, they would run simply one candidate. And this was very successful. They won nine out of the ten seats; and in the proportional seats, they won a sufficient percentage of the vote to form a government.

And I think, in this election, you can see both the lessons learned and the direction the parties need to go in the future. The obvious lesson that they took away was the success they had in working together.

I think the underlining issue that came out of that election—which will also dominate the field—was, really, that there was a high degree of voter apathy. People did not come out to vote, and there was actually within the voters themselves a lack of confidence in whether any party would make a change.

I think the good news is that the parties have really recognized this and have begun to try to work on strategies and techniques to finally go out and talk to voters. And, in fact, they have said that now that they have made a coalition amongst themselves, they now need to go out and make that agreement with the voters.

Within this agreement over the last three months, there have been problems. They initially tried within the six-party agreement to work on consensus decision-making. And I think that has proven to be not completely successful, and so they are now going to try a more majority system.

They initially wanted to do everything based on having one spokesperson; in each month, a different party would be the spokesperson. That has evolved to the point that each month, one party has the lead spokesperson where other party presidents can contribute.

But I think it bodes well for the future. I think that the general spirit is one of cooperation, of the need to start putting a positive, forward-looking face on politics in Croatia.

So the prospects for next year, I think, are good. I think it is clear that the political space in Croatia has opened up significantly; you certainly see that in the media.

And I think there was an interesting development just before Christmas. The Archbishop made a very interesting address.

And his Christmas message was really about the need for the Church to distance itself from political parties and, certainly, the ruling party, though in the past, the Church has been very closely tied to the ruling party.

And in some ways, he very gently scolded the Government—reminded the Government—of its mandate and its need to not only look after those within the party but all Croatian citizens and the need for the government to pay attention to the big issues in Croatia now—which are unemployment, housing, pensions—and that the Government has the duty to really tackle these issues.

This was really significant, I think, from many perspectives, because it was the first time the Church has been critical of the ruling party. And I think it really speaks to this opening space that there is in Croatia.

So I think there is no doubt that Croatians are looking for change. And I think the challenge that the opposition parties have is to capitalize on it—to go out and present themselves in a way that speaks to Croatians about issues that matter for Croatia.

The other issue that has become interesting this fall—which I'm sure some of you have followed—is the HDZ, the ruling party, and the disarray that it is in.

They have had very public difficulties due to the fact that in the last three months they have seen the resignation of three very key members of the HDZ.

We saw the resignation of the Minister of Defense, Mr. Hebreng. We saw the resignation of the President's Chief of Staff, Mrs. Saranic. We saw the resignation of Mr. Gregoric, who was one of the key advisors to the President as well as one of the key players in the HDZ.

And I think it is interesting that the resignations played such a big role in the media. So what you see now is much more discussion in the media—certainly in the opposition press—and much more space for the parties.

So I think there's a great opportunity for political change. But I think one needs to be cautious, because I think the challenge for the parties is to come up with a reasonable mandate to include people.

I support the strategy the parties have been talking about—and this year they have had some success; this year the parties have actually gone out door-to-door.

They have gone out in some areas to talk to ordinary citizens, and what they have found is that citizens are very receptive to this. In fact, they were shocked at how well they were received at citizens' doors.

This has given them confidence to continue such work and helped them to understand that that is really where the work has to happen.

So I think that if the parties can continue this debate and really motivate the people—particularly young people—in this election, there will be 200,000 new first-time voters, which is almost 10% of the vote.

And what you see is that within the young people there is a desire of some to try to reach out to those people because they will make a difference.

So the parties are beginning to think of strategies, and I think there is reason to be optimistic; but I think there is also reason to be a bit cautious.

Mr. HAND: Okay. Thank you, Karen.

Eric?

Mr. JOWETT: Well, IRI is a relative newcomer to Croatia compared to NDI. We started our program there in late Summer of last year. While NDI, I ,think is focused a little bit more on the party organizational issues, the focus of our program is more on party communication and specifically how they can use public opinion polls and other research methods to enhance their campaign.

Before I specifically talk about Croatia, I think there is some common elements about public opinion polling in Eastern Europe, and these are things that we find in Croatia, in Slovakia and in many of the other countries in which IRI has conducted polling.

In the U.S., I think, there is a perception amongst some people that there is an over-sensitivity to polls, that many politicians are sort of darting from one day to the next in different directions, depending upon what the overnight polls have to say. There is no real deliberation.

In Eastern Europe, that is really not a problem. As a matter of fact, the problem is that public officials, elected officials, and parties really don't pay enough attention to what people think.

They have a general disdain for public opinion; if they lose elections, they generally blame their voters rather than looking at themselves and doing a reevaluation of their campaign efforts.

They don't always focus on public priorities; they usually focus on their own internal priorities. They look at following polls as a kind of populism, and their idea of leadership is that they are the agenda-setters; they tell people what the important issues are; it's not the people that tell them.

And that's really why we thought that a polling project in Croatia would be effective, because we found that there is a domestic polling firm and that they are sound statistically.

I mean, their methodology in using polls is perfectly adequate, but they don't really apply the level of analysis that would allow parties to use them as a device in their own strategic planning. And with the parties not having that ability either, then we saw a real need to get involved.

I think IRI also has a little bit of a unique perspective on polling in that we like to use it for coalition-building or to encourage coalition-building among political parties.

The first very basic reason is that it can be used to encourage the opposition parties—in this case the six parties—into some sort of cooperative activity.

Parties rarely go from running completely independently to all of a sudden jumping into some electoral coalition—or even merging.

They need to have lots of experiences, whether it's election law reform, working together in local elections, or working together on polling projects. So we thought this was a good opportunity to help coalition-building.

Parties can also look at the numbers. They can test different coalitions, determine if there is a coalition bounce that they get, determine if any of the parties that are likely coalition partners would lose their votes because they wouldn't get through a threshold unless they were brought into a coalition. And also, polling data can show whether like-minded parties are essentially stealing votes from one another.

IRI's first poll was conducted in October—it was October 14th—of last year. It was

conducted by IRI staff; by a volunteer consultant from Wirthlin Worldwide, which is a very reputable polling agency here in the U.S.; and by the PULS Agency. It was all done in close consultation with the parties.

There were 2,000—over 2,000—interviews throughout the country. We entered into an understanding with the parties that this would not be a public document; we wouldn't publish the specific results to the poll.

Parties in Croatia, like parties in the U.S., leak things; and very quickly they leaked some of the results, tried to spin it in a favorable way. But in order to try to honor that obligation or that agreement—I'm not really going to talk about the specific numbers for the poll, but I'd like to just paint a general picture of the political environment and public opinion in Croatia.

The one number I can talk about is the one that was leaked, which was just the party preference. Our poll showed the HDZ and the Social Democrats essentially neck-and-neck; they are both getting about 21% of the vote. No other party that we tested made it into the double digits, so 21% clearly makes you a front runner.

About 20% of the voters were undecided, and about a third said they could change their vote before the election.

Another interesting thing about the parties is that only three of the nine parties that we tested had a favorability rating over 50%, so more people perceive more of the parties in a negative light.

There is a high level of interest in these upcoming elections; 67% said they will definitely vote, and 47% said that their level of interest was high.

Voters in Zagreb are generally a lot more interested in the elections than in other parts of the country; and in terms of the age groups, the 35 to 54 group is really the most interested in the election.

In terms of the political climate, we found that, generally, it was a more favorable climate for challengers rather than incumbents; and there are a couple of key indicators.

One is that two-thirds of the voters thought the country was headed in the wrong direction, and it was a little less strongly felt by pensioners and older people.

Half of the voters thought their lives had gotten worse since the 1995 Parliamentary elections; and that, again, was most strongly felt by that 35 to 54 age group.

The only institutions in which voters had a lower level of confidence than in the current Government were banks and the courts. So there were more institutions that have higher confidence levels, certainly, than the government.

Again, a big part of our doing the polling for these parties in Croatia is to try to get them to focus on issues that concern voters the most—to focus on voter priorities and to convince them that it is not popularism; that all we are asking them to do is to reorder their own priorities, rather than just accept whatever the poll says.

The main issues of concern for voters—unemployment. When you ask it as an open-ended question, the main issue of concern for voters is unemployment. That is clearly ahead of any other issue in the country.

When we ask closed questions—which is when we give the specific answers that they can choose, and we divide issues into subcategories—we find that the biggest political problem that people see in the country right now is state corruption.

The biggest social problem they see is the future of their children. The biggest economic

problem, again, goes back to jobs and unemployment. The biggest infrastructure problem is housing. And the biggest foreign policy concern is EU integration.

Another interesting point is that women are generally more concerned with social problems, that they rank social issues at the top, their biggest concern. Men are more concerned with economic and unemployment issues. But what's maybe a little more relevant than that is men are more strongly motivated to vote than women; they are more interested in the elections and they are more likely to vote.

Some other issues: two-thirds of the voters disapprove of the VAT; two-thirds have a negative view of the privatization process that has occurred; two-thirds think it is time for a change in the composition of the Government, which does not necessarily exclude the HDZ if it were in a coalition with some other parties. But there is deep dissatisfaction with the current Government.

Two-thirds of the voters also said that they hadn't heard anything about election law reform, which is an issue that the opposition parties have been pushing.

Of the 30% of the electorate that has heard something about election law reform, their top priorities are just better access to state media and elimination of the diaspora seats in the Parliament.

We found voter attitudes toward parties were kind of mixed. Two-thirds wanted to learn about parties or get information about parties through television, rather than newspapers or radio or rallies or meetings with candidates.

Voters, we found, had a predisposition to support coalitions. About a third of the voters said that their party preference would be strengthened. In other words, their—the party that they were inclined to vote for—they would be even more inclined to vote for that party if it were in a coalition.

We tested four coalition possibilities, or arrangements, and voters were more positive than negative on three of the four possibilities.

However, over two-thirds of the voters thought that their party would still be able to enter Parliament if they didn't enter a coalition, that they wouldn't be able to meet some sort of threshold.

Although voters are predisposed to favor coalitions, there is no real sense of urgency, I would say, in forming coalitions. And I think that that lack of urgency may also be something that you find among the opposition party leaders, that they have kind of an informal and casual approach and a wait-and-see attitude about forming coalitions—I mean real electoral coalitions.

On a one-to-ten scale, moving left to right for political party ideology, half of the voters placed themselves in the center. It was not a symmetrical distribution on left and right.

One out of four voters placed themselves on the left, and one out of ten placed themselves on the right.

A couple of other findings. We have found that Tudjman's—the President's—historical role in Croatia and his particular style and brand of charisma still has significant influence on public opinion in Croatia, despite the showing of the HDZ in the poll.

He is also able to separate his image from his party's image. His image is positive; more than 50% of the people had a favorable image of Tudjman, whereas less than 50% of the people had a favorable image of his party.

In addition, we think that the opposition parties also have their own set of negatives

with voters, which is common throughout the region.

Twenty-five percent of all voters thought that the governing and the opposition parties were equally responsible for the country's state of democracy.

They didn't necessarily blame any particular party, but they thought all parties were equally responsible for their democratic record.

I think opposition parties are still susceptible to being viewed as relatively undifferentiated, ineffective, and squabbling amongst themselves, as much as they do with the Government. Over a third of the voters don't believe opposition parties offer a real alternative.

Voters are generally negative about the country's past, but one interesting point is that they are generally optimistic about the future. And some of the more optimistic people are HDZ supporters; and younger people also expressed more optimism. But overall—for as negative as they are about the past and the present state of Croatia—they are generally positive about the future and expect their lives to get better in the next several years.

I think the final point that I would make is that the election outcome is really not set in stone. It was a dramatic turnaround for the HDZ last Fall when they were polling neck-in-neck with the Social Democrats, but I think the field is wide open.

The HDZ needs to really resist any temptations to re-run their last campaign. We also think that it is unlikely that what appears to be a more recent strategy of defending Croatia against Western states, including the United States, and cozying up to maybe more Eastern-oriented countries—we think that strategy really is going to backfire, because, again, the biggest foreign policy concern for Croatian voters is EU integration. It is clearly a priority for most citizens.

We also think that the opposition have to convince the voters that they are not only prepared to govern, but they offer a genuine alternative.

We think that the voters are open to the idea of change; again, it's a positive environment for challengers rather than incumbents, but we don't think the voters are desperately in search of change. They're not necessarily willing to accept change in any form.

And for a country that has gone through quite a bit of change in the last several years, there could even be some apprehension about what change means. But even if voters are looking for change, they may not be convinced that the opposition offers it.

They may think that the opposition would be just like the current Government. And they may not really find any policy alternatives being put forward by the opposition parties that really offers them something to be enthusiastic about.

In other words, it's the vision thing. Do the opposition parties really have a vision about a better Croatia that they can generate support for?

Again, this is IRI's first poll we did in Croatia. We expect to do another one in the field by February. We will see what the election timing is like for any other polls that we do.

We are also doing focus groups. I think 1999 should be an interesting and possibly very dynamic year, politically, for the Croatian parties.

Mr. HAND. Thank you, Eric.

We now go further south and to my right with Kent Patton and Macedonia and Serbia.

Mr. PATTON. Thanks, Bob.

Macedonia has had a very exciting last year. I think many people who watch Macedonian politics were a little surprised about where we ended up today.

So what I would like to do is maybe walk a little bit through what happened politically

in the last year and then maybe look in the crystal ball a little and project forward to the next six to nine months to what we are going to see coming up for us in the Fall and Winter of next year.

As many of you know, the central political fact of Macedonia's existence is the stark ethnic divide between anywhere from 23 to 30% of the population, which is ethnic Albanian, and the remainder of the population, which tends to be ethnic Macedonian, Serb, Roma, and other groups.

Much like Serbia, we have a large group of Albanians who are in Western Macedonia; and we have a large rest of the population, which tends to be ethnic Macedonian, unlike Kosovo and Serbia.

In Macedonia, the capitol city is essentially divided: where on the northern side of the city you tend to get ethnic Albanians living, on the southern side of the city you tend to get ethnic Macedonians.

This fact causes much concern to people who monitor the inter-ethnic relations of Macedonia, because should something along the lines of what happened in Kosovo take place in Macedonia, it's the capitol city that would really become the battleground, not as in Kosovo, a far-off province from the capitol city.

So what we saw over the last year during the course of the campaign were that a couple of very important coalitions developed. The one major coalition that developed was the VMRO-DPMNE coming into coalition with the Democratic Alternative.

Now, VMRO has had a very interesting history in Macedonia. They initially were revolutionaries in the nineteenth century who fought against Ottoman rule. The current party of the same name likes to harken back in a kind of romantic way to those roots, but they really have no relation.

In the early 90s, when they ran some campaigns, up until even a year or two ago, the rhetoric was quite militant, quite nationalist. They were, some thought, a kind of rowdy group of street thugs who didn't really deserve to hold power in Macedonia and, in fact, never really did hold power, partly because of their own rhetorical excesses and partly because of the electoral system.

The coalition that VMRO formed with the Democratic Alterative put VMRO's more nationalist voters together with a brand new party that had just developed over the course of 1998.

The Democratic Alternative was headed up by a gentleman by the name of Mr. Vasil Tuporkovski. If you follow Macedonian politics, that is a name to watch for in the next few years.

He is someone who had been a member of the Joint Presidency of the former Yugoslavia. His commitment to democracy back in the late 80s was a bit questionable, in that his was a deciding vote to send tanks into the streets of Belgrade to quell the protest of 1989.

After Yugoslavia broke apart—Macedonia became an independent country in 1999—Mr. Tuporkovski essentially got out of politics entirely. He spent the last eight years building business enterprises, becoming the head of the Macedonian Olympic Committee and otherwise being a very positive influence on the civic life of Macedonia. He built this party and ran in this campaign in order to begin to resuscitate his political life.

This coalition, then, essentially joined two opposition parties—one that was fairly well-established, one that was brand new—in a fairly powerful bloc.

On the other side, you had the ruling party, the Social Democratic Alliance, or SDSM, who had generally been ruling the country since independence.

They were the successor party to the Communist League of Yugoslavia, and, generally, the transition to an independent country had been incredibly smooth—relative to Bosnia, Croatia, Slovenia, and Serbia—and Macedonia was really the only republic that did that transition without conflict or violence and with a fairly reasonable political movement.

That party which had been in power for so long, then, of course, had to deal with the political problems and, more importantly, the economic problems that faced Macedonian voters.

Over the last ten years, they had seen their standard of living drop. They had seen the social cohesion of their country fall apart.

As we saw in the election, most of that political anxiety and anger was directed towards the Government.

SDSM had tried over the course of the year to go into coalition with the Socialist Party. They were unable to do that. So the SDSM went through the election alone, essentially, without a coalition partner and, therefore, exposed to any votes that people might want to make for change.

The other coalition that was really the most important for the course of the entire election was the coalition between the Party for Democratic Prosperity—a moderate, ethnic Albanian party which had been part of the previous government—and the Democratic Party of Albanians, headed up by Arben Xhaferri.

This party was not quite so moderate in some of its rhetoric and, potentially, in some of its plans. They decided, mainly as a result of what happened in Kosovo, that they would join together as an electoral coalition for the campaign.

This was a really good opportunity for the Albanian community, because for the first election in Macedonia we essentially didn't have multiple parties that were dividing the vote and frustrating voters; but we actually could allow a very powerful bloc of Albanian voters to go out, make their choice, and increase the number of Albanians in the Macedonian Parliament.

As we went through both rounds of elections on October 18th and November 1st, we ended up with what I think was a surprise to many people who watch Macedonia from Washington, D.C., which is—we saw the opposition do incredibly well, much better than most people had thought. And we saw the ruling parties do not very well at all.

I think one of the major reasons for this is that VMRO, which had had such a bad reputation in the early 90s, finally figured that not only to win an election but to lead a country they really had to put aside whatever nationalist rhetoric they had.

The course of their campaign was focused on economic issues, crime, corruption—some of the major concerns that were in voters' minds.

Much as Eric mentioned in Croatia, we did a polling project all last year for this express purpose; to keep these parties from essentially using nationalism at a very fragile time in Macedonia's history.

Thankfully, virtually all of the parties stayed away from using the nationalist card during the course of the election; and so we saw one of the smoothest, least violent, really wonderful elections that had taken place there, with the new election law that was, I think, a model for how any of these countries in Eastern Europe can reform the old Socialist election

laws into ones that are transparent and free and provide lots of participation at all levels.

Many had speculated before the elections that they thought—and many people in VMRO had thought—that they—if they did win the elections—would go it alone in the Government.

They might bring some Albanians into the Government, but they would exclude any Albanian parties. Those of us who were on the ground there talked to them extensively about why that would not be a good idea, that the formal Albanian parties were representative of the Albanian people and, therefore, needed to play a part in the new Government.

The shocking thing I think for most people was that Macedonia has now really become politically a leading light in all of the Balkans, in terms of how to build a governing coalition that can resolve some of these deep-seated ethnic problems.

We now have a government that is made up of VMRO, the formerly Macedonian Nationalist Party, with the Democratic Party of Albanians, which is the more nationalist Albanian party.

This governing coalition, while tenuous, is a real advance over what could have happened after this election. The past year, in seeing this election result and the subsequent government formation, has had, I think, three very positive effects on Macedonia.

First of all, the voters can now see that there can be transition, that they can vote for change, that change can happen, and it can happen smoothly without violence, without someone trying to steal an election. That alone is a wonderful thing for the voters of Macedonia to know.

The second even more important thing, I think, that has come out of this election, is that all of the major parties now have had a chance to run Parliament and run the Government.

So at this point, the next time they have elections, nobody can stand outside and say that the other guy is all to blame. Everybody now will have had a chance to make reforms, to move Macedonia forward, and to start to solve some of its longer-term issues.

The third and again very important issue, but one that will take a lot longer to resolve, is that with the ending of essentially 54 years of Communist or former Communist Party rule, we do have an opportunity in Macedonia to essentially change the bureaucracy, which really has not changed much in about 54 years.

That is something that is really key for a very small country, but a very small country that has a gigantic government and a nation that is still absolutely centrally controlled.

These opportunities that have presented themselves in the course of this last election will develop into some very serious challenges over the next year.

As I mentioned, the governing coalition is incredibly tenuous. The two parties, the VMRO and the DPA, are not parties that necessarily have a lot in common other than they both did not like the former Government. And many do question the commitment of some of the Albanian members of this coalition to a State of Macedonia that would include Western Macedonia.

So there is some possibility that over the next year—if the Albanian Party, DPA, is not getting all of its political demands—there is some question as to whether they will stay in the Governmentl; and there is some question then as to what they exactly would do: would they leave the Government or pull their members of Parliament out of that institution? This is a cause for concern.

But again, putting these parties in positions of power for the first time, allowing them to lead, giving them responsibility for ministries may soften some of their rhetoric and soften

some of their voters' demands for any kind of separation of Macedonia.

One of the other challenges that is going to be coming up this coming year is the presidential election. President Kiro Gligorov has been the President since independence. He also was a leading politician in the former Yugoslavia and has done a superb job of moving Macedonia in the proper direction and keeping it fairly democratic and fairly stable.

However, since he was injured in the 1995 car bomb attack on him, he really has been fairly disengaged; and other forces have really played a leading role in pushing Macedonia on its current path.

The presidential elections, therefore, that will come up this September provide a really good opportunity for new, vital leadership in that role of president.

It won't be any surprise that Vasil Tuporkovski, who started this new Party, is the leading candidate for President. Our polling numbers show that he currently has about 30% support among voters; any other candidates are down around 3% or 4%. So it would take a colossal failure on his part not to be elected into the position of President.

And I think over the course of the next year—as we see the campaigns develop—we will see what kind of President Mr. Tuporkovski might be for the new Macedonia.

The challenges are very real in Macedonia. The ethnic divisions is something that cannot be resolved through one or two elections. There really are no institutions currently that can help bridge this very, very stark gap. But that clearly is going to be a challenge for this Government and any subsequent governments.

The economy, which was the single biggest issue in the campaign, will remain a big issue until they can resolve some of the differences with their neighbors—primarily Greece and Bulgaria—and the problems to their North.

Right now, the economy is growing a little bit. They have macroeconomic stability, but it still is an incredibly poor country that is not getting very much for an investment.

The potential for political instability will always be there, though, because the institutions of the State have been functioning fairly well over the last eight years; the political instability is not as marked as it is in Kosovo, where the Albanian population there lost most of their political and civil rights.

All of these opportunities and problems which will actually—over the next six to nine months we will see some of these things develop. If the Government stays stable, if the coalition partners stay in the Government for the next nine months, that is going to be a very big success for Macedonia.

If that doesn't happen, if we see a splitting up of the current Government or the Government falling, that is going to be a very bad sign not only for the U.N.—which currently has troops on the ground including American forces—as well as the new NATO extraction force which is based in Macedonia.

Whatever happens domestically in Macedonia now has far-ranging implications, not only for the region but for even the health of NATO. So keeping the Macedonian political scene stable and secure is really in America's interest in more ways than I think a lot of people give them credit for.

I have, as Bob mentioned, just recently moved up to Serbia a month ago. And so I like to think that what happened in Macedonia with an opposition victory—with Albanian participation in a government—is a model that—while it does not directly correlate to Serbia—is a possibility to let the Serbian people know—the people who support democracy in Serbia—

that you can work with multi-ethnic parties and multi-ethnic groups in order to form a government and lead a country.

But I will let Paul give you the better update, since he has been on the ground in Serbia for much longer than I.

Thank you.

Mr. HAND. Thank you, Kent.

Paul?

Mr. ROWLAND. I'm going to focus largely on Serbia, although I have lived in Belgrade and have worked in most parts of the Federal Republic of Yugoslavia for the past year and a half.

And one of the reasons I am going to focus mostly on Serbia is because—or at least Serbia proper as opposed to Kosovo—I think most of us have heard a great deal about Kosovo these past months and about what's happening there, and I think many of us are quite current with that.

And I just wanted to say that I wish that the picture in Serbia were as optimistic as the picture that my colleagues have painted in Croatia and Macedonia and Bosnia. But there is some reason for optimism, and I will go through that in a bit.

I have often said—and those of you who know me will just have to plug their ears—that politics in Serbia is much like a soap opera. If you miss a couple of days or a week—if you have missed a lot, if you miss a year—you're probably right back where you started from in that a lot happens every day in politics in Serbia; but rarely does anything actually change.

I am hoping that this year will be different. But I think if you take that analogy a little bit farther, if you go back a couple of years, Slobodan Milosevic was President; he was on top.

We saw the rise of the Zajedno Coalition. It created a lot of hope in the population in Serbia. The election fraud resulted in three months of street demonstrations all around Serbia. We all watched them on television as people walked through Belgrade daily with their whistles and their pots and pans.

And ultimately, that resulted in Milosevic backing down in the installation of Zajedno governments in many towns and cities around Serbia, including Belgrade.

Many of us watched the crane take down the red star from the roof of City Hall in Belgrade, and it looked like there was a great deal of hope for change.

Unfortunately, the opposition parties were not able to keep their act together, and they started to fight over the color of the carpet in their office and fight among themselves. The coalition blew apart just before the parliamentary election and presidential election of 1997.

This resulted in the opposition parties by and large being excluded from that Parliament; half of them boycotted the elections and SPO; the Serbian Renewal Movement of Vuk Drascovic, while it ran in those elections, did not do well, primarily because they didn't have a message and they didn't have unity with the other opposition parties, which is what the voters wanted.

After that three months of drama, we had the change of power, but that didn't—that hasn't lasted long in Belgrade. In the end, we come out a year and a half later—two years later—with Milosevic still on top; the party that has ruled in Serbia for the past 54 years, as in Macedonia, is still ruling Serbia. There doesn't appear to be a great deal of hope on the surface of it, but that will change.

But if you look at it, I think Milosevic is a brilliant tactician but a poor strategist. For ten years he has lurched from crisis to crisis, mostly crises of his own causing. But he doesn't

have, as many people will say, an evil master plan for maintaining power forever; he doesn't look very much farther than next week, let alone next year.

And, I think, if you look at some of the indicators on the political scene in Serbia, he is weakening. And there's a number of these indicators. The repression in Kosovo is one of them.

He desperately needs to hang onto those votes in Kosovo that he has managed to win election after election with. He needs to hang onto Kosovo for political reasons; that was his launch pad to victory in 1989, and he has been willing, over the past year, to shed a great deal of blood to hang onto it. That's one example.

Another one is the University Law that was passed earlier this year. The universities in Serbia have been free almost since the turn of the century and haven't been very affected, really, by 40 years of Communist rule.

There was academic freedom and some ability to—it was a place where new thoughts and obviously some resistance to autocratic rule came from. And if you look at the University Law, which has resulted in the firing of professors who didn't want to sign an oath of fealty to the governing parties.

If you look at the Media Law, which was passed even more recently and then used immediately to cause a chill in opposition newspapers, in media outlets. Television stations have been closed. Newspapers have been closed.

There are now very few outlets for reformers or anybody who opposes the government line to get their opinions to the public.

There have been purges within the ruling structure itself. The head of the Secret Police was replaced with somebody closer to Milosevic. Some senior members of the Socialist Party of Serbia have been purged, and Momcilo Pericic, the Chief of Staff of the Yugoslav Army, has also been replaced.

Now, while these people could not necessarily be considered moderates, within a world context they were influences, stabilizing influences, within Yugoslavia as a whole.

They didn't see their jobs as being uniquely tied to the people in power, and they had some sense of duty to the other Republic in the Yugoslav Federation, the smaller partner, Montenegro.

Disturbingly, they have been replaced by people who don't seem to have that same kind of attachment to stability.

Now, why would all of this—why would all of this happen now? Milosevic has let these things run free for a number of years, including through the dark years of the war in Bosnia.

The only thing that makes sense is that they know that he knows that his support is slipping, and the only way to hang onto the country and to hang onto power is to become more repressive, to step on those outlets of freedom that exist within the country.

Just to go back to Kosovo for a minute. It would seem that the process at this point is not particularly hopeful. There is renewed violence in Kosovo, which many had thought would hold off until Spring. And there doesn't seem to be any immediate political resolution to that problem. There is a lot of attention but no immediate resolution in sight.

And I think we need to—and one of the reasons I wanted to focus on Serbia proper is that there can be no permanent solution in Kosovo and, indeed, no permanent solution within the Region without stability and reform in Serbia.

I think that is a lesson that the international community has learned over the past few

years, and I think that is a lesson that we all need to pay attention to.

Now, there are some hopeful signs within Serbia and within the Federation of Yugoslavia. One is the changes that have occurred over the past year—year and a half—in Montenegro.

What appeared to be initially a simple Balkan split in the ruling party has become a serious movement towards political and economic reform in Montenegro.

President Djukanovic—while many suspect his motives—initially has pushed that reform process and has included people in the government that will push that process and will continue to push that process.

The political system in Montenegro is now much more pluralistic than anybody could have dreamed a couple of years ago; but more importantly than just the electoral success of reform parties is that there has been—there have now—there are now structural changes to institutions underway.

Legislation going through the Parliament that will result in a change in the public service environment—distancing the public service from the ruling parties, distancing the judiciary from the ruling parties—and decentralization of government services to the local government level, bringing services closer to people and diversifying the power base.

If those are able to proceed this year, I think the process of change in Montenegro could well become irreversible, short of military intervention from the Yugoslav Army—and that's something else that is a concern.

But Montenegro has become for many democrats in Serbia—and I use the term as a small 'd' democrat as opposed to referring to the Democratic Party—but reform-minded people in Serbia see Montenegro as hope, hope that things can change within Serbia as well.

The other potential bright light in Serbian politics is the Alliance for Change. This was largely an initiative of former Yugoslav Prime Minister Milan Panic, who brought together a group of people in June of last year.

The Alliance then included Panic himself; Avramovic, who was the former Governor of the Central Bank of Yugoslavia; Zoran Djindjic of the Democratic Party; Vesna Pesic of Civic Alliance; and now includes, as well, more than 20 other parties. This is a growing seemingly broad-based coalition.

They flailed around for awhile, came up with sort of boring policy solutions and options, didn't seem to capture the imagination of the people—and they have yet to do that, but they have also yet to select a leader.

Now, is this coalition, this formation of parties—and I sometimes hesitate to call it a coalition—is it another Depos? Is it another Zajedno Coalition?

I don't think so. And there are a number of reasons for this. The failure at this point to appoint a leader, I think, is a case in point.

They are trying to get the fundamentals right before they focus on leadership.

They're focusing on the organization. They are building at the branch level. They are talking to party members. And the other essential ingredient in this particular coalition—and one that may lead to a greater stability—is the absence of Vuk Drascovic.

Drascovic has become—even since I've been in Serbia—increasingly erratic and has made sweeping statements about Western intervention; has then talked about the need for Western intervention.

He has talked about—one of his better quotes was talking about mujahedin scum from

all over the world coming to fight in Kosovo.

Now, these are certainly not acceptable statements by any standard, but he doesn't seem to have any particular direction; he seems to respond to whoever he has spoken to that day or that morning, and if—there doesn't seem to be any kind of trend in his actions except to become more erratic.

And that, I think, is an essential sort of destabilizing influence in politics in Serbia. And for the moment, it is probably best that he is outside of any new coalition group.

If we look at some of the leadership possibilities, I think some people have suggested that Milan Panic should lead this new group. And I don't think Panic should be viewed as a panacea.

He has obviously, according to many people in Serbia, some decisions to make before he can lead any group, including about his place of residence; so there are issues that need to be resolved before any kind of leader can be selected.

They are, however, serious about signing agreements, about making the fundamentals of a coalition work—which is, I think, different than the personality-driven coalitions of Depos and Zajedno.

One of the interesting things that has happened within the Alliance for Change has been the appointment of Nebojsa Covic as the Coordinator of the core group of party leaders.

He is the former SPS Mayor of Belgrade, who quit in the middle of the street demonstrations and basically acknowledged that he had lost the election—or that SPS had lost the election—and that it was time to let the opposition have a chance at governing.

But while he was Mayor of Belgrade, even opposition people acknowledged that he had a good political sense, that he recognized public needs and addressed them.

He has a good strategic mind and is, I think, a good gut-level politician. He is an organizer, and he is now trying to run the nuts and bolts of that coalition.

That being said, any coalition of opposition parties in Serbia is operating in a very difficult political environment.

There is an extraordinary amount of international pressure on Serbia which results in internal repression. There is little or no access to the media. Repressive new legislation, which may include new laws to come out on addressing the NGO community and political parties. And most importantly, the biggest obstacle facing the opposition is a totally alienated base of voters.

The people in Serbia are totally disillusioned with politicians. They feel let down by the opposition much more than they feel let down by Milosevic. And it will take a great deal of effort on the part of any opposition coalition to bring those people out to vote again.

Now, that being said, I think that they can make a breakthrough this year or next year if they work hard and they take their campaign directly to the voters, door-to-door, house- to-house, pub-to-pub. If they work at the local level, I think they can make a breakthrough.

Our work across Serbia at the branch level suggests that this may in fact be true. Some of the branches that we are working with have—since the NATO threats, the whole Kosovo crisis—been out in November and December doing door-to-door surveys.

And they have found a very warm response from voters, even in Zemun, which is the home of Vojislav Seselj, the ultra- nationalist leader of the Radical Party.

Now, to wrap up, I think that the opposition parties in Serbia—any opposition grouping—need to consider three essential elements to success.

The first one is unity. And I don't think they are quite there yet. There are still often cases of the Democratic Party leader, Zoran Djindjic, making attacks on Vuk Drascovic; and while he may have good reason to attack Vuk Drascovic, it is not essentially what the voters want to hear.

They want to hear the opposition parties focusing on some of the fundamental concerns about the economy, jobs, getting some money back in their pockets, and looking after the future of their families.

But these parties have to address that and come to the voters as one voice. They need a salient message. This has been lacking in the opposition for years in Serbia; they don't—they are totally unresponsive. They don't initiate conversations and engage with the voters. They respond to what the ruling party and outside forces direct at them.

They need an effective organization. And I think this is what they are trying to assemble. Whether they will be successful, I think, remains to be seen. But an effective organization that can get around the media blockade and deliver the message directly to the voters.

If they work on these fundamentals, I think they can become an effective force. I don't want to be too Pollyanna—they are working in a very difficult political environment—but I do retain a sense of optimism. I think somebody has to. I wouldn't be there unless I thought there was some hope for change.

Mr. HAND. Okay, thank you, Paul.

We'll now go to questions and answers; actually, I have questions for all of you, but I'll just ask one right now and then open the floor and see whether people out there might ask my other questions for me.

My first question relates to Croatia. In 1995 and 1997, there were two things which the Helsinki Commission in particular criticized regarding elections.

One was the so-called diaspora vote, which in many respects isn't a diaspora vote because it's swaying the loyalties of people who are not necessarily from Croatia but from Bosnia.

And you mentioned, Eric, that the popular sentiment in Croatia itself seems to be somewhat resentful of that vote. I think it was at the time as well.

I was wondering if either you, Eric, or Karen have any thoughts as to whether the 12 seats that were given to the diaspora will be kept in the upcoming elections?

And the second criticism that we had of the elections was the treatment of domestic election monitors, civic monitors, which in Croatia had the wonderful acronym "GONG." Maybe that's why they weren't treated so well.

But I think that from our point of view it is easy in these countries to develop a sense of partisanship. It's not so easy to develop a civic-minded orientation; when you have groups of people who want to go out and see a good election, regardless of who wins, it is something to be encouraged.

In Croatia, they were not permitted to enter polling stations in 1997, and I was wondering if that might change as well, because I know that in Bosnia—in Macedonia I believe—and in Montenegro, they were actually encouraged to come out. In Serbia, I believe, they still are restricted.

What is the situation in Croatia regarding these two areas that were of concern before?

Ms. GAINER. Well, I can speak to both issues, actually. With respect to the diaspora, there has been a lot of discussion, and, actually, we're even getting the sense from the HDZ

that that is the one thing they may change—to reduce the number of seats held by the diaspora.

There is discussion about reducing it from 12 to 4, although that is still very much in debate; and the matter is coming back before Parliament in the Spring.

With respect to the issue of domestic monitors, there is actually some good news which I omitted to tell you. GONG did once again monitor; and, actually, leading up to the elections, they made an application to the Constitutional Court after they were denied access by the Election Commission.

And within 48 hours of the election day, the Constitutional Court made a ruling saying that, in fact, domestic monitors should be allowed to do it; but, of course, from a court ruling they didn't have the mechanism to change the law. The Court did make a very strong recommendation, essentially saying that the law should be amended so as to permit domestic nonpartisan observers.

Certainly, in all of the proposals going forward before the Sabor on the election law, this issue is being addressed to permit domestic monitors. And, I think, following the ruling of the Court we will see permission granted to domestic monitors next time. One is always optimistic.

Mr. JOWETT. Well, let me just respond to your first question and put my answer again in the context of public opinion.

Not only did our poll find that of the minority group of voters who actually care about electoral reform, that one of their top priorities is getting rid of those diaspora seats or reducing them.

But we also asked a couple of other questions, which, I think, are edifying. One is that when we asked, "Which institutions do you have confidence in?", we also put in groups and organizations as well, and one thing that Croatian voters have a very low level of confidence or trust in is Serbs living in Croatia; but another group is Croatians from Bosnia.

There is really not much difference between those groups and how Croatian citizens feel about them. There are also about two-thirds of Croatian voters oppose any financial assistance going to Croatians in Bosnia.

So I don't think there is a real strong level of popular support for the diaspora seats.

Mr. HAND. Thank you.

Okay. I'll now open the floor. If you will raise your hand, I will call on you. Then please come to the floor mike—because this is being transcribed—and identify yourself; ask your question and identify as well the personel whom you would like to answer it—unless you would like the entire Panel to do so.

QUESTIONER. Hi. I'm Patrick Hickey with the General Accounting Office, and I want to ask a sort of reverse side of the diaspora coin in terms of what efforts is NDI and IRI trying to go out and identify the needs of the Serb diaspora, within both Bosnia and within Serbia.

I know in the year 2000, the Croatian Serbs will be eligible to vote in the Bosnian elections. So how are you trying to reach them, and what is your general—and also, for the I guess 500,000 plus Serbs who are refugees within Serbia, when will they get the vote within Serbia, and what their views on these coalition parties are or their views on the current government are?

Ms. BINDA. Thanks.

First of all, we don't reach voters; we try to help parties reach voters. It's a big problem

for the opposition parties in reaching all of the displaced voters that are able to vote in Bosnia.

The ruling parties know where the diaspora are around the world. They have clubs in the United States and in Canada and in Australia; and it is very easy, given the resources that the ruling parties have, to reach these people.

It is almost impossible for opposition parties to get their message through to voters who do not reside within Bosnia and Herzegovina, whether they are the Kraijna Serbs or whether they are displaced Croats living now in Croatia.

There has been some international assistance last year for political parties to get a message out. There was a European television—it's a satellite channel; I'm not sure exactly what it is called; it is run by the European Community—that ran public service announcements on behalf of all political parties, including opposition parties in Germany, for instance, where there are a large number of refugees from Bosnia and Herzegovina.

We struggle with parties every day to try and find creative, low-cost methods of reaching these voters; but ultimately, the process of refugee return, I think, has to be sped up so that those people that do wish to return are able to do so and then can vote in their place of residence where they were in 1991.

Mr. HAND. Would Eric or Karen like to say something regrading the role that Serbs are playing in Croatian politics? You had mentioned that there is distrust of them still, Eric; but if you want to say a few words about whether the fact that the Croatian population generally is focusing on other issues might allow what had been a big issue—the return of Serbs—to become not such a big issue and whether it can proceed at a faster pace.

Ms. GAINER. Certainly. We work with the Serbian Independent Party in Vukovar and they do a lot of work there; and they are now starting to organize in Russian Slovenia and to think about organizing in the Crimea as people go back.

I think, Bob, you are quite right. There is a slow return and people are becoming a little bit more accepting, and I think that the political space is a bit more open with respect to that. But, still, it takes some time.

Mr. JOWETT. Again, our polls show that the idea of Serbs returning to Croatia really has very little popular support. However, when we asked the question a second time and linked that issue to integration issues and said through this return of refugees you are more likely to be integrated into Western security and economic organizations, that opposition diminishes. But it is still substantial, I would say.

Mr. HAND. Brian?

QUESTIONER. I am Brian Marshall from the OSCE in Bosnia and Kosovo. To follow up on the question regarding the situation for Serbs returning to Croatia.

I was in Vukovar last summer and had the impression just the reverse situation was going on, that effectively, an ethnic cleansing was going on still with the Serb population in that area in Eastern Slovenia. And there was very little protest on the part of Western governments, so it obviously wasn't following up in accordance with the Dayton Accords.

Ms. GAINER. I do think there is a real problem, particularly in Vukovar, with respect to basic issues for Serbs that are living there and have lived there, particularly their problem of unemployment.

As Vukovar begins to get rebuilt, Croatia is, in fact, bringing in displaced Bosnian Croats to fill a lot of those jobs that are created rather than employing ethnic Serbs.

So there is a real issue there, and I think to a large extent they do feel quite neglected by the International Community and that there are some serious issues that haven't been resolved by any means.

Mr. HAND. Other questions? Go ahead.

QUESTIONER. My name is Bojan Klima. I work for Voice of America Croatian Service. This is a question for Ms. Gainer and Mr. Jowett.

President Tudjman recently described organizations like your own as some kind of part of an intelligence network that is hostile to the country.

On the other hand, last Spring, I think, the weekly *National*, which is critical of government, described your work as some kind of lobbying effort to help opposition win the elections.

So how do you tackle those problems, and how do you work in this kind of conspiratorial atmosphere? I mean, can you tell us a little bit—some kind of examples of that? I mean, especially if you are going on the grassroots level, I mean, going into people's houses and so forth. Have you encountered that kind of opinion among ordinary people?

Ms. GAINER. No. I think Francesca's point is really important: that we work with political parties and we work with political parties training people at the national, the regional, the local level, encouraging them to go out and talk to people—to people in the community.

And for the most part, we have been very well-received by the parties. Croatian citizens have been really open to the parties as they have taken these techniques, which are so basic to political organizing, about how, as a political party, you need to go to talk to your voters and include them in the development of policy. And as the different Croatian political parties have gone out door-to-door, they have been very well- received. And so we have had very good success, and—

Mr. JOWETT. I would just echo those sentiments that there is really, first of all, nothing inflammatory about what we talk about. We talk about very basic political techniques, and it is really focused on this technical aspect rather than an ideological aspect.

And I think that these are just ideas or techniques that are commonly accepted in the West but may not be so well-known in emerging democracies, countries with less experience in a multiparty system.

And what the parties do with that information, once we provide it to them, is up to them. They are ultimately in charge of their own success. It's not up to us. We're not running for anything in Croatia.

Mr. HAND. I'd like to ask a question regarding the situation in Serbia. It is my understanding that there are no elections actually scheduled this year in Serbia, other than those that may take place in Kosovo, which is a big, big question. That's correct?

Mr. ROWLAND. At this point it's correct, yes.

Mr. HAND. It sounds as if, on the one hand, it might actually be good if there was some time for the Alliance for Change to be able to develop itself and become an effective opposition and not rush into elections too quickly, when, in fact, there hasn't been electoral reform, meaning that it might actually lose.

On the other hand, because of what is happening in Kosovo and because of your general premise that you need a democratic Serbia—or at least a democratizing Serbia in order to enhance stability in the region—there is a sense of urgency about it as well, that you almost can't wait for elections.

I was wondering whether you feel that elections in any way can be forced in 1999 and if that is a good idea, and also whether change can actually come about through an election, or whether something perhaps within Serbia itself has to happen before an election can allow a transfer?

In other words, can there be change through an election itself? Will Milosevic and his Socialist Party allow themselves to lose an election, or will they continue to be unfree and unfair, unless there is just basically a popular revolt against the regime?

Mr. ROWLAND. I think that same kind of question was asked in Slovakia, and I think there is the potential for reform in Serbia through the electoral process.

That being said, it is a very difficult process right now; and it may be that it is only through the electoral process as well as popular demonstrations that those kind of things will come about.

But I do think that politically speaking—that the ruling coalition is vulnerable; and for that very reason I don't see elections happening the first half of this year. But then again, I didn't see the second set of elections in the latter half of 1997 happening, as well, either, even though those were predicted quite loudly by locals. So I could be totally off-base, but—

Mr. PATTON. If I may comment on that quickly. I think most of the political parties on the ground there are hoping that if there is a settlement—and, of course, that's a huge if in Kosovo—that somehow they can push the elections that will take place in Kosovo into being a election for all of Serbia. This is kind of a pipe dream; I mean, Milosevic obviously knows that any election is a risk for him.

I think your key point is—and this is actually more important in some ways—that I believe that all of the pieces are there in Serbia to have an opposition victory, to have a victory of democratic forces in Serbia.

There is no doubt. I mean, there are enough people, there are enough parties, there are diversity of opinions that, given the right circumstances, if we had an election tomorrow they could win.

The key question is, if they win, what happens then? I don't believe the Socialist Party would ever give up power on the national level. They reluctantly ceded power on the local level in the elections that they lost; it only took months of protests and some real kind of verging on civil problems there in order to get local elections.

And the local authorities really have no power anyway, so it was in a way a great symbolic victory; but in terms of altering the power structure, it didn't.

So if the Socialist Party decides, having lost an election, that they don't want to give up power, well, then, what is the next option? And I think that is a real question for folks in the international community to say, well, at what point do you just keep having elections that the Socialist Party continues to say, well, Mr. Milosevic can't allow this kind of radical change from his rule?

So again, I think that is an open question; and I believe just from seeing recent history that even if we put all the pieces together, win a fabulous victory in Serbia, that that is in a sense only the beginning of the problems. It's the next necessary step and essential, but it doesn't necessarily mean that there won't be a real confrontation at that point.

Mr. HAND. Right here in the front.

QUESTIONER. I am Joseph Gordon from the Defense Department. A question for Francesca, actually, too, just a clarification, first. You mentioned that the next national and entity elec-

tions would be in two years instead of four? That was—that's a certainty?

Ms. BINDA. Yes. The rules and regulations were changed prior to the 1998 national and cantonal elections where the mandates for the entity governments and the cantonal governments was changed from four years to two years. The president's will still be four years.

QUESTIONER. Thank you. And the other question is a request for some clarification of the election law. How do you see this taking shape, in particular, with a view of promoting multi-ethnic parties or fostering multi-ethnic parties?

Ms. BINDA. Well, we haven't seen the draft of a law or a proposed law. As you know, the Office of the High Representative and the OSCE are responsible for drafting a law, which will then, I understand, go to the Peace Implementation Council before it is released publicly.

We are hoping that will happen soon, so that we will all be able to comment; but since I haven't seen anything yet—I know there is a lot of discussion about the more contentious parts of the voting system right now, in terms of the members of the presidency and should people be allowed to choose which president they want to vote for.

A lot of this would require opening up the Constitution and the Dayton Peace Accord, which I know there is much resistance to.

Mr. HAND. Actually, there is also much advocacy of that—at least from me personally. I think the idea of having a country divided not only by entity but then by nationality within the entity—in terms of who is able to run for an office—is very undemocratic.

Ms. BINDA. Well, I look forward to the debate among Bosnians to see what they are thinking.

Mr. HAND. I was wondering if you could say a little along these same lines as to how political developments in Republika Srpska are going? I sort of gave you a warning that that would come up.

Ms. BINDA. I know you did, and that's why I didn't raise it at the beginning. As most of you know, the President of Republika Srpska's nominee for Prime Minister was rejected a couple of weeks ago by the Parliament.

He has now nominated a new candidate; and the process begins again, this candidate having 40 days to bring forward—up to 40 days—to bring forward a proposed government to be approved or disapproved by the Assembly of Republika Srpska.

The Government, however, does continue to function, despite this uncertainty about who the next Prime Minister will be because there still is a Prime Minister in Dodik, and there still is a government, and there still are elected members of the Assembly.

Shortly before the Madrid Conference, the Assembly passed laws on property legislation which were much heralded by the International Community, so the Government is functioning.

There is the possibility of extraordinary elections again being held in Republika Srpska, if they cannot come to some agreement over the Prime Minister and a permanent government in Republika Srpska.

I don't have a crystal ball, and so I can't tell you what is going to happen. I have actually been away for two weeks, so I don't know very much about this new nominee.

I understand that not a lot of people do know much. He claims to be a member of Mr. Dodik's party and Mr. Dodik's party, SNSD, is rejecting him as one of their own, so it will be interesting to see what people find out about him.

I don't think that the defeat of Biljana Plavsic was that big of a deal, because if you look at the numbers of the RS Assembly, nothing really changed.

The Radical Party and the SDS switched a few votes; but in terms of real seats, nothing has really changed in the last couple of—in the last year.

Mr. HAND. Over here.

QUESTIONER. My name is Aneta Georgievska-Shine. I am from the newly opened Macedonian Service at VOA.

So I wanted to ask you, Mr. Patton, a question. You spoke twice about how tenuous the new coalition is. And when you spoke about the coalition, I presume you had in mind the ruling coalition after this recent electoral victory.

I presume you had in mind both the coalition between the Democratic Alternative and VMRO, and also the VMRO on its own part with the Albanian party of Arben Zaferi.

So could you elaborate a little bit more on what are your greatest concerns regarding the possible political developments within this coalition?

And you also mentioned along those lines something about if the Albanians perceive that their political demands are not satisfied; what do you see as the hottest issues in that respect?

Mr. PATTON. Well, I think you saw the tensions exactly, because the relationship between VMRO and the Democratic Alternative is very key; and I'll use just an example of Mr. Tuporkovski to say why I am not the only one who thinks this may be a very tenuous coalition.

He chose not to play a part in the government, essentially creating an organization called, I think, the Bureau for Reconstruction and Development that he could run independent of the Government.

There was some speculation that he did that because he didn't have a lot of confidence that this Government would be able to stay intact through the presidential elections.

I think that is an indication that there might be some tension between those two parties, but I don't think that's the key tension. I think that the Democratic Alternative and VMRO will stay together for the duration; and, in fact, they do have 63 seats in a 120-member Parliament, so those two parties alone can form and run the government. That's why it becomes so important to what DPA's intentions are for the next year.

Right now, there has been incredible progress on issues that are important to Albanian parties and Albanian political leaders. Amnesty for Demiri Osmani is a key one. An amnesty bill has already been passed through the Parliament. It is waiting for President Gligorov's signature, and I think that is the first major demand that both of the Albanian parties had in this election.

The second was the University of Tetova. That we have seen some good movement on in terms of them working out some kind of compromise, and I think there is a lot of optimism within the Albanian parties that in fact they will get some university in some form.

I believe Mr. Tuporkovski has had many statements saying that it probably is about time to take care of that.

The other issues that come up then—once you get third, fourth, and fifth down the line—tend to be the issues of greater representation of Albanians in the Ministry of Defense and greater representation of Albanians in the police forces.

Currently, in most of those ministries there is maybe 3% or 4% Albanian representation

in a country that has, again, 23% to 30% Albanians.

That issue is one that is going to be very, very difficult for any political party to solve, for a number of factors, especially the education system.

So the question is purely in the strategic thinking of DPA. Currently, they know they will get much more being a part of this Government. And I believe there is goodwill on all sides to move forward with a real positive agenda for all groups in Macedonia.

But there is some question still about what will happen when we get to some of those third and fourth level issues, and the DPA does not feel that those issues are being adequately addressed.

Their response in the past to confronting political problems has been to pull themselves out of institutions of the State. Most recently, they pulled essentially all of their city council members and mayors out of those institutions as a protest to what was going on in Kosovo and a protest to a lack of advancement on their agenda in Macedonia.

So having used that tactic in the past, we could assume it is still in their bag of tricks that they might do in the future. I am optimistic that they will realize that playing a part in this government, playing a part in the Parliament, is to their long-term political advantage. It is to the long-term stability interests of Macedonia and for regional stability.

But, again, it is slightly tenuous. A year ago, there weren't many people who would have thought the more nationalist Albanians and more nationalist Macedonians could come together.

They essentially have vanquished their common foe and are now running the government; but since that common foe is now gone, that will raise other issues that may split them apart again.

So I think that is going to be the tension over the next six months to nine months.

Mr. HAND. This actually touches a bit on the question that I had in reserve for Macedonia. I think originally this coalition—the whole question was whether it was even genuine.

I think now tenuous is the good way to describe it; the burden in that regard is mostly on the Albanian side—how serious Zaferi is; will he pull out, et cetera?

But in all of this, one thing that one doesn't hear—so I would like to ask just to clarify it—is, is the abandoning of the nationalist rhetoric by VMRO more than just rhetoric?

Is it a real policy change? Are they committed to working within the context of Macedonian politics? Are they committed to the coalition, or is there some question regarding the intentions of VMRO in the future?

I don't think that they really had a dramatic purge of people, and it's somewhat surprising that people could just have such a shift without further splits, more letters on the name of the party, and things like that.

Mr. PATTON. Yes. Any party that has Macedonia in its name twice, you can assume is into being Macedonian.

But I firmly believe that their movement away from the nationalist rhetoric was not just a rhetorical move; but, in fact, they saw that their international support increased dramatically as soon as they essentially got a mainstream agenda together. They put a platform together that really matched what the interests of the Macedonian people wanted.

When we sat down with them a year ago, they had a very, very familiar agenda for people who watch VMRO. Over the course of that year—looking at some of the polling numbers that we put together, looking at what their long-term interests were, and also talking a

lot to the international community—they realized that pushing a nationalist line or pushing a nationalist agenda once they have power is really counterproductive to what the party and the individuals within that party really want to accomplish.

So I believe it is a rhetorical change. It was a change in order to win an election that, in fact, reflects a substantial change on the part of the leadership of VMRO.

I would like to make a distinction. There are definitely VMRO members out there who would love nothing more than to split the country in two and maybe join to the mother ship of Bulgaria.

Those numbers are very small, and they are marginal people; but there are,of course, in all of these parties people on the fringes; but at this point in time, they do not have power, and the people that do have power are interested in maintaining the current structure of the country. So I think it's been a real change.

Mr. HAND. Thank you.

Chad?

QUESTIONER. I'm Chad Gore with the Commission. Last year, the Commission held a series of briefings on the problems of Kosovo, I believe, and hearings—

Mr. HAND. Hold on—

QUESTIONER. There we go. All right. It's this first-rate American equipment. Anyway. Last year the Commission had a series of hearings and briefings on the problems in Kosovo, ably guided by Bob, culminating in a hearing with Senator Dole and Assistant Secretary of State John Shattuck, where members of Congress virtually called for the use of force and for the replacement of Milosevic under any circumstances.

In addition to that, there were clarion calls for his indictment as a war crimes subject and that he be, you know, so indicted by the International Tribunal.

I actually have this question and a second question. Do those efforts—the hearings that we have had, the calls from the Congress, the resolutions for his indictment—do they have any affect whatsoever? And what effect do they have, particularly, on the politics in Serbia?

Does this help the opposition? Do they have any—take notice of it? And, really, can you crystallize some kind of effect that it has, hopefully?

The second question I have is for all of you. The OSCE has had an ever-expanding role in various parts of the former Yugoslavia; how effective is the OSCE?

Is it welcome? And I really would like a candid answer, a candid answer that evaluates the role of the OSCE in your region. Thanks.

Mr. HAND. Who would like to start? Let's first start with the question of Milosevic and his use of force and all those types of things.

Mr. ROWLAND. I think in terms of use of force, certainly on the ground, there are two very distinct trains of thought; and the minority of those is that Serbia should be bombed—not surprisingly.

The other train of thought says that by using force the West plays into Milosevic's hands. And I'm not entirely sure which of those is correct.

I do know that there are limited tools to ensure compliance with United Nations resolutions, and one of those happens to be force.

So when you go to the question of Milosevic's indictment by the Hague Tribunal, I think I'll leave that to the able prosecutors in the Hague.

In terms of whether the calls for indictment—the calls for the use of force and Milosevic's

replacement—have had any effect, I think there has been both a positive and a negative effect.

The positive effect is a little more difficult to measure. The negative effect is sort of immediate and stems from the visa section at the Yugoslav Embassy; but the calls from the outside for his removal, as opposed to general calls for reform and some specific points of reform, I think are not always helpful.

On the other hand, some of the statements I have seen with specific sort of targeted reforms, I think, are useful.

I think what is generally useful, though, is that people are paying more attention to the reform process within Serbia and that that has become a focus of international attention, because I think that for a long time Serbia and internal politics in Serbia were viewed through the lens of Bosnia and the Dayton Accord; and there was a danger this year that that whole reform process and reformers within Serbia would be then again viewed through the lens of Kosovo.

And while Kosovo is an important problem and the needs and immediate resolution, at least, so far as stopping people from being killed—again, you have to go back to the point that without some reform and some change within Serbia itself, the stability of the region is at risk.

Mr. PATTON. Well, I'll just comment really quickly in terms of the comments that come from Washington, whether it's the Hill or the Administration.

They have a very positive impact on a very demoralized democratic opposition there. In that sense, they are very good. In many of the meetings, they will immediately say—a day or two after something is said here or by the White House—is this real? Is this a real change in policy? Are they really going to support the opposition now?

I think there are two problems, though, that come up. One is, you start raising expectations that there is going to be some massive multi-million dollar investment in the opposition parties in Serbia.

That kind of expectation is bound to be frustrated by these people who then see that, well—in fact, what they have is our expertise on the ground and bags of money won't be walking in through the door. So you have to worry about expectations.

But what I would say—and this is probably more to the point which Paul was getting at—which is to have James Rubin essentially calling for Milosevic's ouster and essentially saying that we are going to do what we can to undermine him, I think hurts those of us on the ground who are trying to work democratic reform by personalizing it, by making the Serbian Government then perceive any foreign NGOs as essentially people there to oust a man.

When Capitol Hill does it, it's a very different thing, I believe, because Milosevic being a very savvy student of American politics realizes why politicians do that on this side of the Mall.

So I think it is incredibly helpful when people on the Hill—Senator Lugar is a case in point—come out for a change in policy, come out for really pushing aggressively for democratization of Serbia; it is, I believe, counterproductive for the efforts of those of us on the ground for James Rubin to come out and make those same statements.

In terms of OSCE, I would just say that there are some fabulous people working for OSCE. The things they do on election observations, I think, are very valuable; and beyond that I would leave it to OSCE to claim their strengths.

Mr. HAND. Other comments on the OSCE?

Ms. BINDA. Well, since we are running out of time and I have a plane to catch to Sarajevo, I am not going to spend all day; but I will say—I will be candid about the OSCE.

It is a very large organization that relies on all different governments, people from different cultures with different agendas. I have watched them organize four elections in Bosnia and Herzegovina.

When they arrived in 1996, there were no bridges. There were no telephones. They had an enormous task and pulled it off. It was difficult and yes they get criticism; and yes, as with every large organization, there are always lessons to learn.

And I really would like to say that Ambassador Barry has learned from past lessons, and he has made an excellent effort in the last year to move forward and to empower nationals to take over jobs that the OSCE has been performing. And I know that that is a big point that he is trying to do for the municipal elections by nationalizing the voter registration process.

And yes we all love to criticize, especially when we are not responsible for doing it; but I do think that the OSCE has learned a lot in the last four years, and I look forward to a perfect municipal election.

Mr. HAND. Karen?

Ms. GAINER. I would just simply add that one of the things I found very useful that the OSCE has done is the way they monitored both the 1995 and the 1997 elections, and that their reports created a very clear record of what the issues were with respect to problems with the election law, particularly the 1997 report, which really set benchmarks and is now being used to give very clear directions and assistance to the opposition.

When you talk about reforms that should be made in the election law, when you talk about European standards, you can look to the report for an analysis of the deficiencies in the law and some of the changes that have to be made.

So I think on that level, they have been very effective.

Mr. HAND. Did you have any—

Mr. JOWETT. Yes. I think that when you look at OSCE, one thing you have to keep in mind is just the type of environment they operate in and the type of organization that it is.

My experiences with them is mostly through election observations. I think an important thing, to put this in perspective, is that in the United States elections are rarely overturned. I mean, there are certainly a lot more troubled elections than elections that have the results reversed.

If we listen closely, we still might here Mr. Dornan across the street arguing about the 1996 race. And that is because there is a very high standard. You can't just say there were problems in the election. You have to be able to prove that the problems were sufficient to reverse the outcome.

Not only were votes stolen or there was cheating, but there were enough votes that were stolen that had they not been stolen they would have had a different outcome.

And courts are very reluctant to do that. They see elections as a snapshot in time, and they can't easily be repeated.

Now, take that kind of situation to Eastern Europe where you have less sophisticated procedures—they have largely paper ballot processes for elections—and you drop all these international observers into this foreign environment where they don't speak the language;

they may or may not be familiar with the political climate and the background issues.

And then they are supposed to reveal or uncover a conspiracy. People who are going to conspire to manipulate the ballot aren't going to do it in broad daylight.

So it is difficult, and I think that that is one important thing for OSCE to be mindful of: those circumstances in which there is a general expectation that there is going to be cheating but they are not going to be able to prove it.

You really have got to be able to—if you make those kinds of allegations—step up and provide some sort of smoking gun.

I also think it is just the nature of the organization. Their delegations tend to be a little bit larger than IRI's or NDI's or other groups that observe elections.

They are forced to take different observers, or obligated to take observers from different countries with different agendas. And most elections where OSCE has been there, there is usually an OSCE parliamentary delegation and an ODIHR delegation. There are two OSCE press conferences. So it just adds another opportunity for forum shopping.

Ms. BINDA. Can I just say on the OSCE that we all tend to focus on elections, and I want to commend the OSCEs in between election work in Bosnia and Herzegovina.

Their democratization department, human rights folks, their media monitoring, and media experts commission have contributed an invaluable amount of stability in between elections; and I do encourage support from all governments for those efforts as well as the snapshot at the election time.

Mr. HAND. I would also say very quickly that in terms of the monitoring effort, the Parliamentary Assembly and the ODIHR have essentially combined their efforts to try to avoid this.

There is still confusion because there is also usually an OSCE mission that is permanently there as well, and so you have this.

One last question up here, if it is very quick. Is it a quick question, because—and Francesca, if you need to leave, go. Okay.

QUESTIONER. My name is Nathan Bind from the DoD, also. And my question is directed at Mr. Rowland and Mr. Patton.

Mr. Rowland, you mentioned Montenegro in your talk and some of the successes that have been ongoing there.

This, of course, has attracted Mr. Milosevic's attention as well. And I want to know with your ear to ground there in the country whether you are aware of any particulars that he has in regard to destabilizing or overthrowing the Government there in Montenegro?

Mr. ROWLAND. There are constantly rumors of destabilization efforts underway in Montenegro by Momir Bulatovic, who is now the Prime Minister of Yugoslavia, former President of Montenegro, and a very close ally of Slobodan Milosevic.

In fact, last year as the day for Mr. Djukanovic's swearing in as President came closer—in fact, on the eve of that inaugurationthere were riots in Podgorica, the capitol of Montenegro.

And there is always a concern that by promoting violent solutions and unstable crowds, demonstrations of that nature, that an excuse can be given to Milosevic to use the Army in Montenegro.

I think so far the Montenegrin Government and the people of Montenegro have been quite effective at avoiding the situations where that could be useful or could be used.

And I also think that the Parliamentary election in May provided a clear signal that a clear majority of the people in Montenegro wanted change and that it is a little less volatile than it was, say, a year ago.

Now, that being said, there are still two very large military bases inside—in Podgorica, one Army and an Air Force Base—and should a decision come from Belgrade to use those forces, it wouldn't be difficult.

But I think at this point that the Government in Podgorica is monitoring that very carefully and is being very, very good at telegraphing these things to Western governments who all then pass on warnings to the Yugoslav Government; and I think that that did prove effective last year; and I think that should prove to be effective this year.

Mr. HAND. Do you have anything to add to that?

Mr. PATTON. I'll just add something really quickly, which is, you know—one of the things that we find, living in a place that doesn't have free media—that questions of this nature become very interesting.

I mean, here you would say, well, reporters would be out there finding out, you know, what's the real intention of the Government? What are their interests?

It is kind of like trying to find out what the Wizard of Oz wants to do. I mean, all you hear is this big voice coming out from State Television. You have no idea what their intentions are.

So communication then becomes all rumor and speculation. The rumor and speculation that I think is on the streets now is that the recent change of personnel in the Army, the recent change of personnel in the Secret Police is a direct result of Milosevic's either commands that he made during the election in Montenegro or commands that he has now, that he wants to strike out militarily against the Montenegrans if they move in a direction that he doesn't like.

Again, you have to watch actions; and I would say that is a good sign, that maybe he is becoming a little more aggressive towards Montenegro; but whether he would intervene—

I mean, he can't open up two fronts at once. I mean, there are people in the military there who have admitted it, that if they have to fight Montenegro and Kosovo at the same time, they are going to have some real problems with just keeping their military machine alive.

So I would say, if there is a settlement, then maybe look for it. If you see some more changing in personnel, look for it.

You know, hopefully, Vojvodina will, you know, keep pushing their republic stuff, so he has got kind of three fronts going, which will keep his hands tied a little bit, but—

Mr. HAND. Okay. At this point, I think I need to close the briefing. I think, generally speaking, what I have heard from the Panel is that there should be a lot to look for in 1999 in these countries; and if you are following any one of them, you should have a pretty good year of work.

If you are stuck following all of them, good luck. It is becoming increasingly complicated as these countries develop; at the end of the year, if we have sort of a summation briefing, we can only hope that we can see a lot of progress.

So, again, I would like to thank you all for coming: the panelists and the audience, especially given the weather. This briefing is concluded.

Thank you.

[Whereupon the briefing was concluded at 12:15 p.m.]

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